

Message Text

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44

ACTION NEA-06

INFO OCT-01 SS-14 ISO-00 EUR-08 NSC-05 NSCE-00 INR-05

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R 241848Z FEB 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8584

INFO AMEMBASSY ABU DHABI

AMEMBASSY KUWAIT

AMEMBASSY JIDDA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

CONFIDENTIAL LONDON 02802

LIMDIS

E.O. 11652: XGDS-1

TAGS: EFIN, ECON, MU, UK

SUBJECT: OMAN'S FINANCIAL DIFFICULTIES

REF: MUSCAT 219 AND 228; STATE 40583 (NOTAL)

1. ON MARCH 24 WE INFORMED FCO'S ASSISTANT ME DEPARTMENT HEAD CLARK OF CHASE MANHATTAN MISSION PER STATE REFTEL. HE SAID HE HAD HEARD THE STORY TWO WAYS, THAT WAY AND AS REPORTED MUSCAT 228. HE HAD ALSO HEARD OF PLANS FOR SAUDI LOAN, BUT HAD NOT CAUGHT LOAN ANNOUNCEMENT IN HERALD TRIBUNE (BELOW). HE SAID OMAN GOVERNMENT FACING SHORTAGE EVEN TO MEET THIS MONTH'S BILLS. BRITISH WATCHING CAREFULLY BECAUSE OF POTENTIALLY SERIOUS IMPLICATIONS FOR DEFENSE EFFORT. MEANWHILE HE THOUGHT OMAN GOVERNMENT WOULD BE BAILED OUT--THOUGH BANKERS WERE LIKELY TO WANT SECURITY, AND OMAN HAS ONLY ONE ITEM (OIL) TO OFFER ALONG THAT LINE.

2. WE NOTE FEBRUARY 21 INTERNATIONAL HERALD TRIBUNE CONTAINED PAID OFFICIAL ANNOUNCEMENT "AS A MATTER OF RECORD
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ONLY" THAT SULTAN OF OMAN ON HIS OWN BEHALF AND ON BEHALF

OF THE SULTANATE OF OMAN HAD RECEIVED LOAN OF 50 MILLION
SAUDI ARABIAN RIYALS ARRANGED BY (A) THE ARAB AND MORGAN
GRENFELL FINANCE COMPANY LIMITED, (B) AMERICAN EXPRESS
MIDDLE EAST DEVELOPMENT COMPANY S.A.L., AND (C) CITICORP
INTERNATIONAL BANK LIMITED AND PROVIDED BY AMEX INTER-
NATIONAL LIMITED, THE BRITISH BANK OF THE MIDDLE EAST,
FIRST NATIONAL CITY BANK, ARAB BANK LIMITED, CREDIT
SUISSE (MOYEN-ORIENT) S.A.L., MORGAN GRENFELL AND CO.
LIMITED, UNION DE BANQUES ARABES ET FRANCAISES (U.B.A.F.)
AND UNION DE BANQUES ARABES ET EUROPEENNES (U.B.A.E.).
FIRST NATIONAL CITY BANK, JIDDA, LISTED AS AGENT BANK.

SPIERS

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Message Attributes

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